

Grupo Supervielle

2Q19 Earnings Conference Call

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Second quarter 2019 highlights

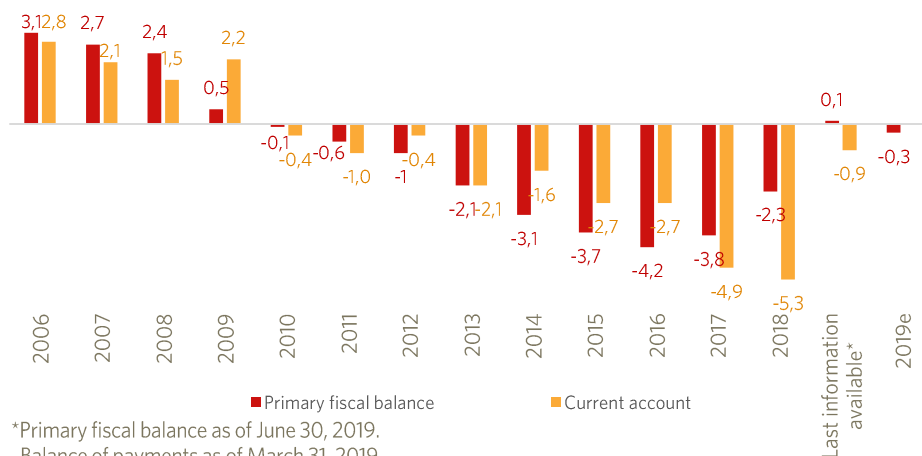
Pre-Tax Profit more than doubled QoQ underscoring flexibility of the franchise in volatile environment. Maintain focus on strategic digital initiatives

- 1 **Net Financial Income** up 20% QoQ while NIM rose 300 bps to 22.1% driven by higher Leliq yields, lower reserve requirements and continuing repricing in loans to individuals
- 2 Further increase in **NPL Coverage** to 107.7%; with stable NPL ratios and **Cost of Risk** at 6.0%. Lower Consumer Finance NPL formation
- 3 **Efficiency ratio** at 62.4% in 2Q19, up 340 bps QoQ. Excluding one-time severance charges in 2Q19 and 1Q19, efficiency ratio would have been 58.7% compared with 57.6%, respectively reflecting inflationary impact on wages
- 4 **Pre-Tax Income** of AR\$ 1.6 billion up 109% QoQ driven by solid revenue generation. **Attributable Net income** of AR\$1.9 billion, includes AR\$664.2 million of inflation adjustment in the income tax provision
- 5 **Loans to deposits ratio** of 72.9% in 2Q19 compared to 74.6% in 1Q19, reflecting higher deposit base and weak loan demand
- 6 **Common Equity Tier 1 Ratio (Consolidated Proforma)** of 11.9% in 2Q19, 10 bps above comparable Tier 1 Ratio of 11.8% in 1Q19
- 7 **Advancing on** digitalization initiatives, aimed at improving the customer experience and efficiency

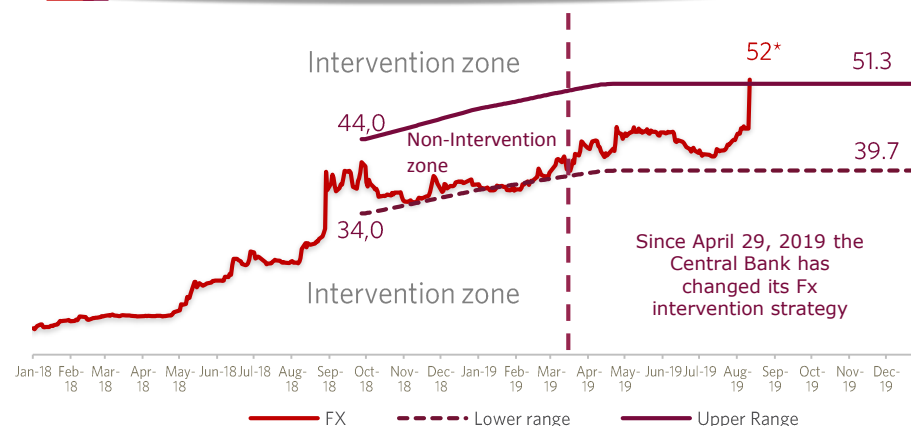
Macro 2Q19

Macroeconomic imbalances were trending towards normalization although interest rates remain high. Uncertainty and volatility increased after Sunday's primaries

Fiscal balance & Current account (as % of GDP)

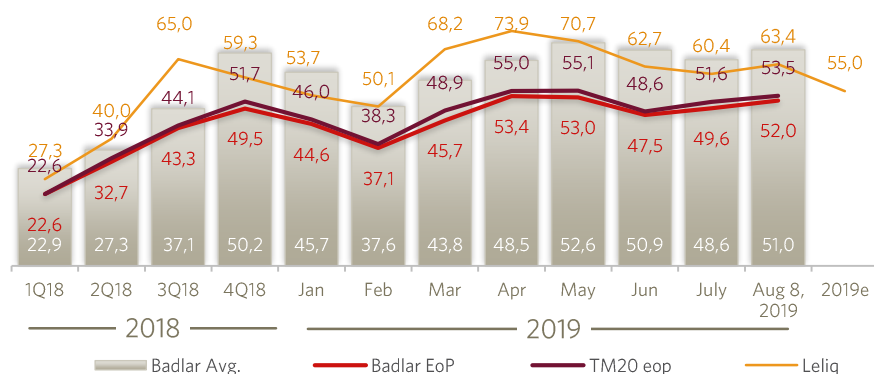


FX



*As of August 12, 2019

Market Interest rate



Source: BCRA

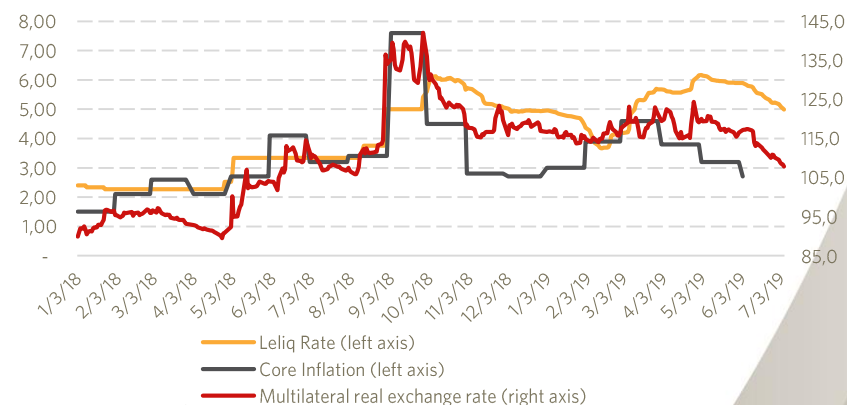
2019e: Market expectation survey as of July 2019, released on August 2, 2019

The Leliq rate as of August 12, 2019 was 75%.

Rates, Inflation & Multilateral real exchange rate

Monthly (%)

17-Dec-15 = 100



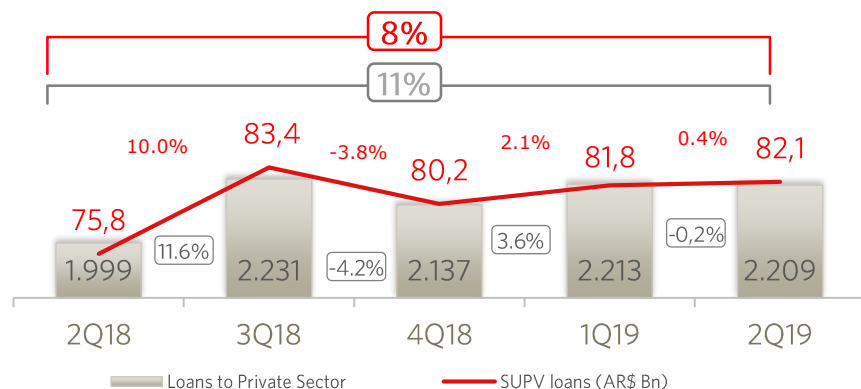
Source: BCRA, Indec

Data until July 5, 2019

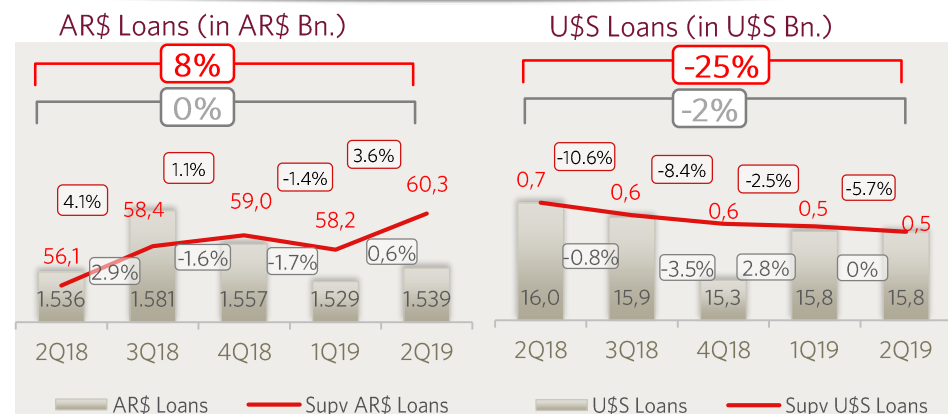
Financial sector

High liquidity and stable industry deposit base; Loan performance reflects weak demand

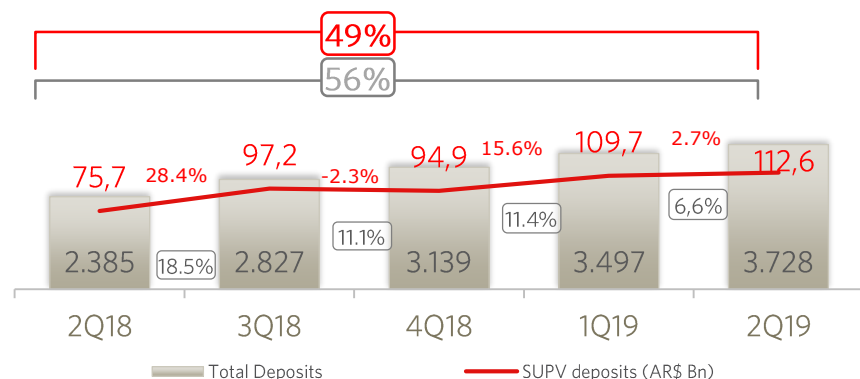
LOANS TO PRIVATE SECTOR [AR\$ Bill.]



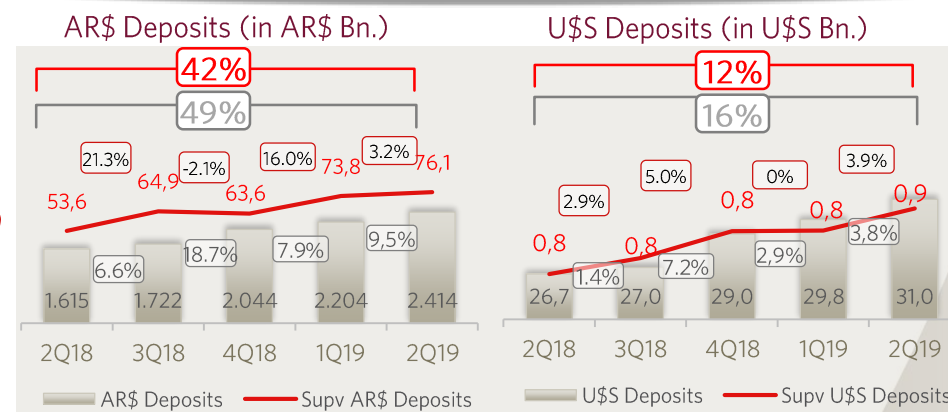
LOANS TO PRIVATE SECTOR [Original Currency]



PRIVATE SECTOR DEPOSITS [AR\$ Bill.]



PRIVATE SECTOR DEPOSITS [Original Currency]

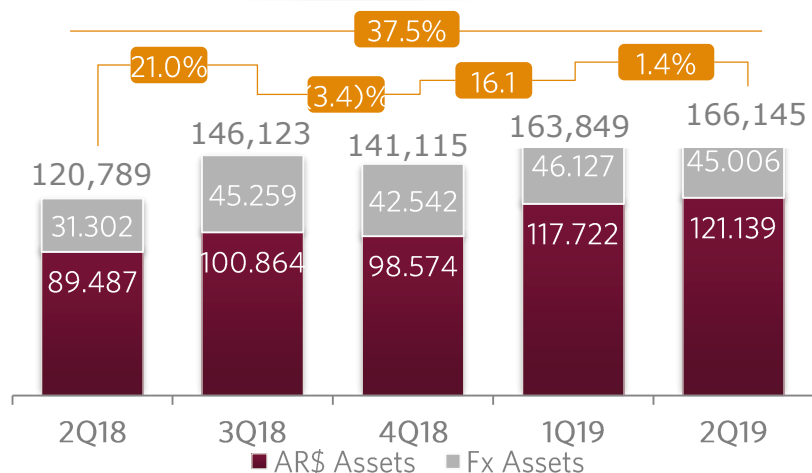


QoQ or MoM variation

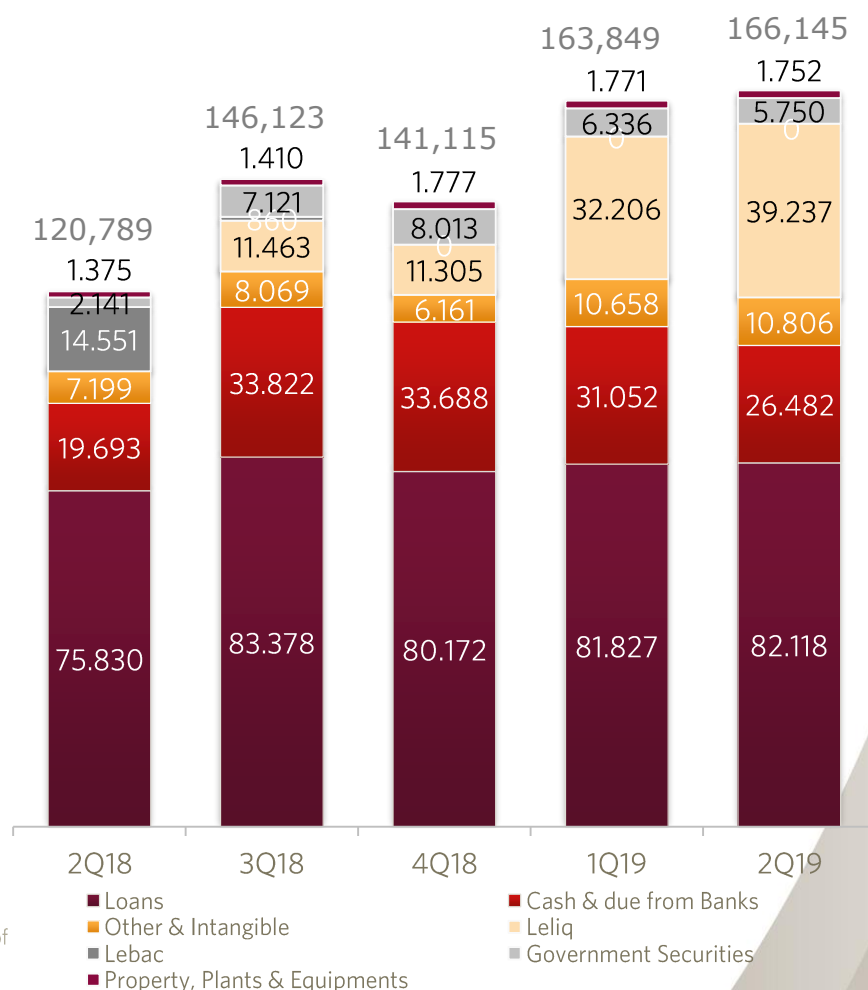
Supervielle assets performance

Total assets stable with slight QoQ decline in loans to assets. Larger holdings of Central Bank securities (Leliqs) to compensate soft credit demand

ASSETS EVOLUTION [AR\$ Mill.]¹⁾



TOTAL ASSETS BREAKDOWN [%]



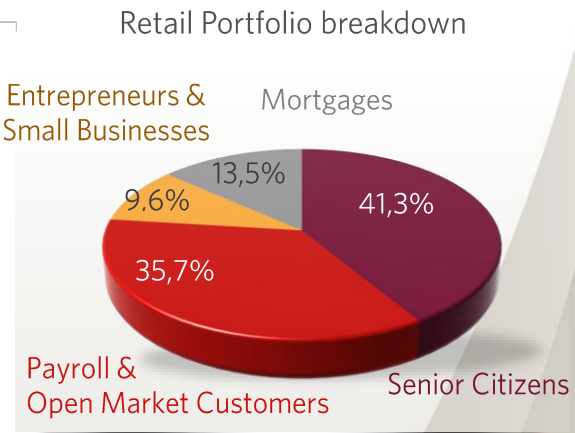
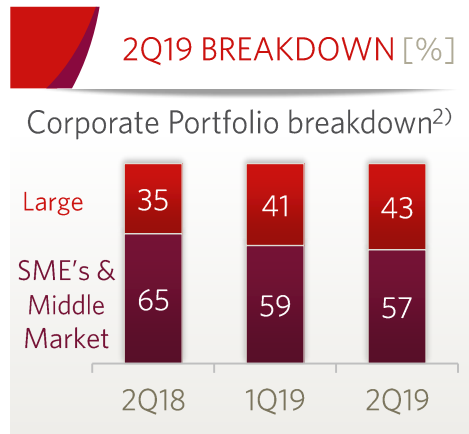
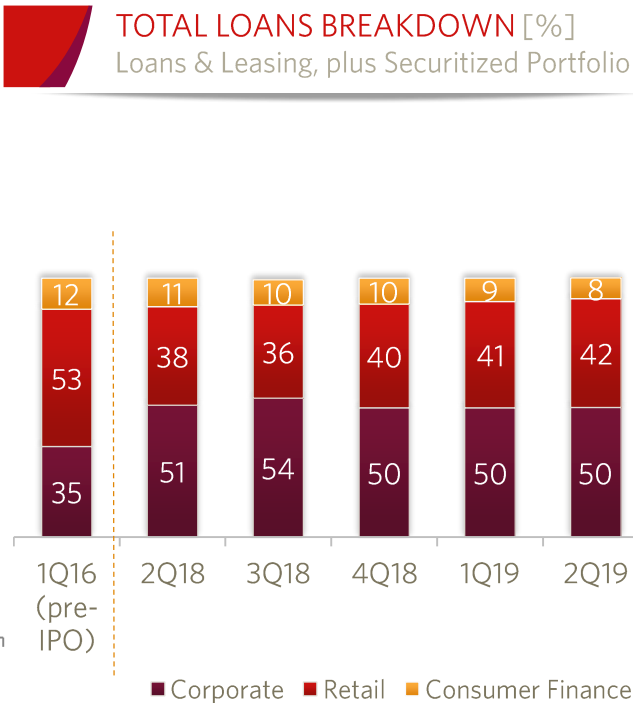
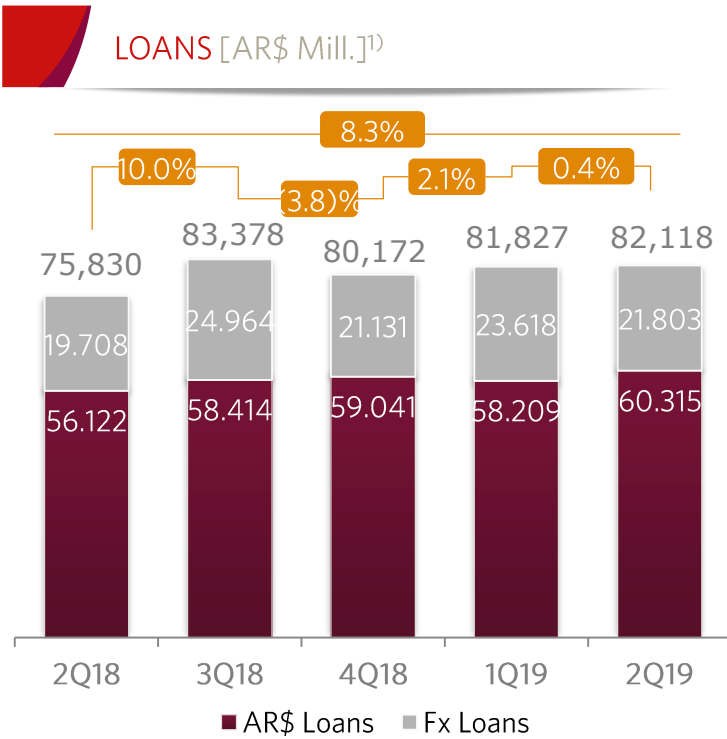
MINIMUM CASH RESERVE REQUIREMENTS ON AR\$ DEPOSITS [AR\$ Mill.] ⁽¹⁾

	2Q18	3Q18	4Q18	1Q19	2Q19
Cash	6,691.1	12,786.4	15,330.3	14,400.8	11,729.8
Botes	430.6	2,152.6	3,032.5	3,092.8	2,923.3
Leliq	-	4,082.8	7,728.3	7,111.2	6,238.0
Total reserve requirements	7,121.6	19,021.8	26,091.1	24,604.7	20,891.1

1) Min. cash reserve requirements on u\$s deposits was U\$S361.9mm as of June 30, 2019 and U\$S 362.9mm as of March 19. The basis on which the minimum cash reserve requirement is computed is the monthly average of the daily balances of the liabilities at the end of each day during each calendar month.

Supervielle loan performance

A cautious approach in recessionary environment along with weak market demand resulted in lower loan portfolio growth



- > Exposure in Consumer Finance Segment at 8% - down 100 bps from 1Q19 and 300 bps from 2Q18 reflecting tightening of credit scoring standards in prior quarters
- > Share of Corporate Banking loans flat reflecting the decrease in US\$ corporate loans in line with risk appetite in this segment that was offset by the increase in AR\$ loans

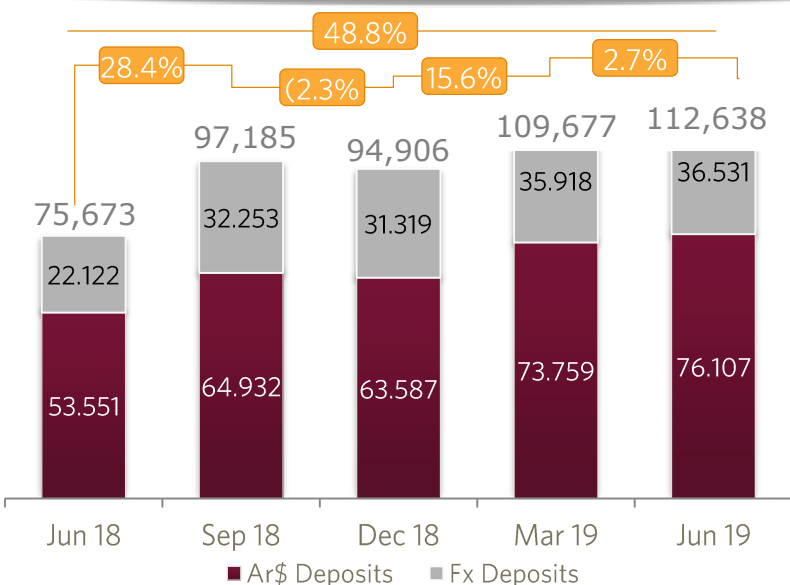
1) Denotes loans and leases before allowances

2) For information since January 1, 2018, "small businesses" refers to individuals and businesses with annual sales up to Ps.70.0 million, "SMEs" refers to individuals and businesses with annual sales over Ps.70.0 million and below Ps.550.0 million, "middle-market companies" refers to companies with annual sales over Ps.550.0 million and below Ps.2.0 billion and "large corporates" refers to companies with annual sales over Ps.2.0 billion. . For information since January 1, 2019, "small businesses" refers to individuals and businesses with annual sales up to Ps.100 million, "SMEs" refers to individuals and businesses with annual sales over Ps.100 million and below Ps. 700 million, "middle-market companies" refers to companies with annual sales over Ps. 700 million and below Ps. 2.5 billion and "large corporates" refers to companies with annual sales over Ps. 2.5 billion.

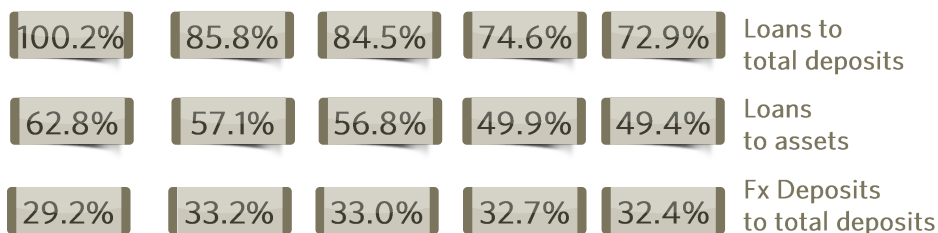
Supervielle deposits

Focus on liabilities management drove lower deposit growth given lower spreads from investments in Central Bank securities towards quarter end, together with soft loan demand

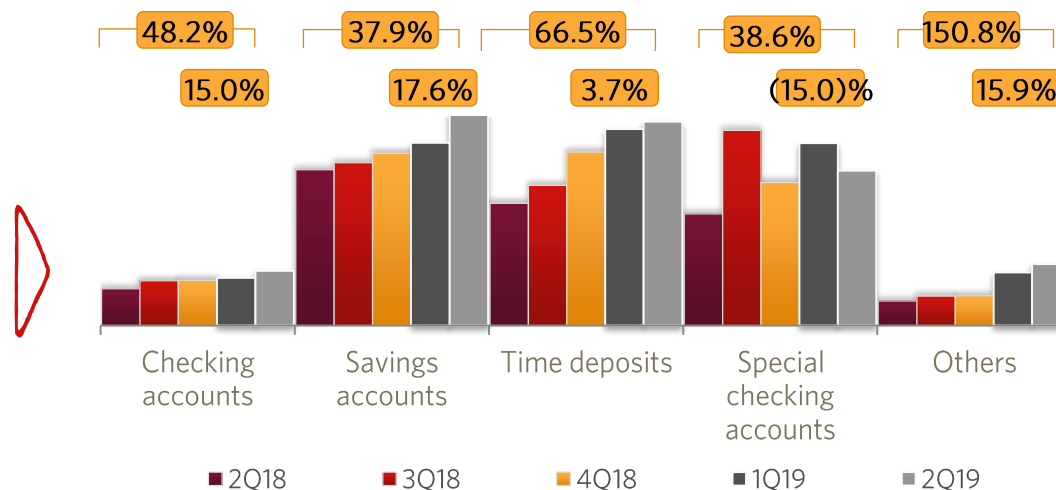
DEPOSITS [AR\$ Mill.]



QoQ Variation



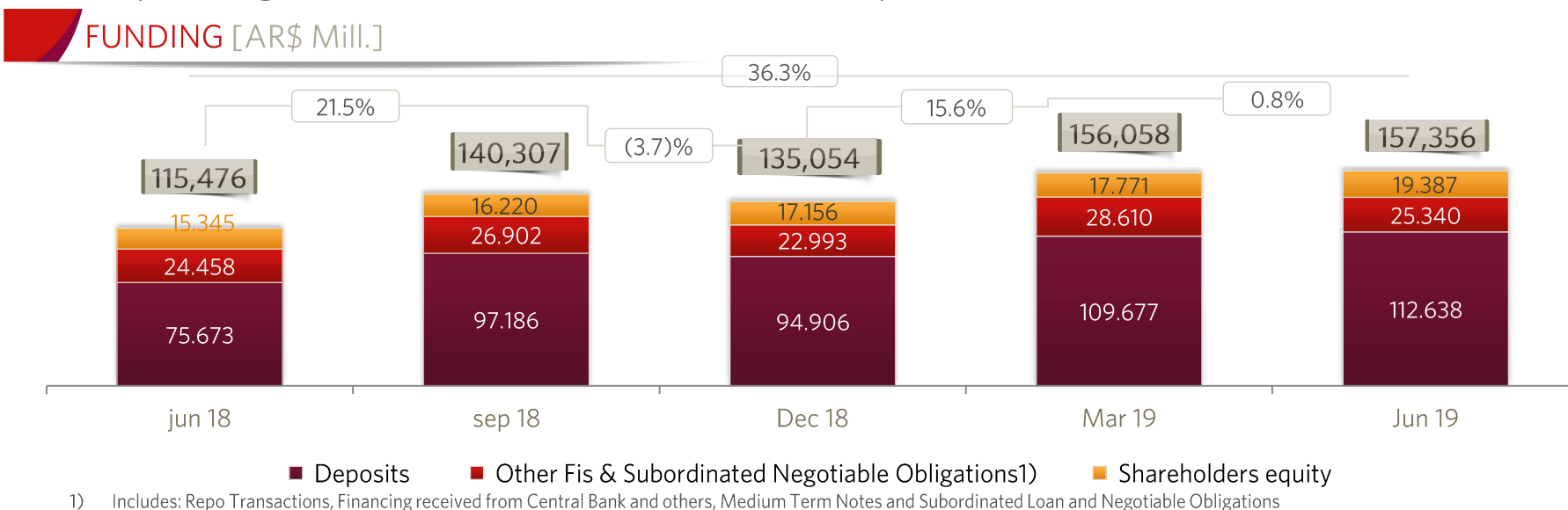
DEPOSIT BREAKDOWN [%]



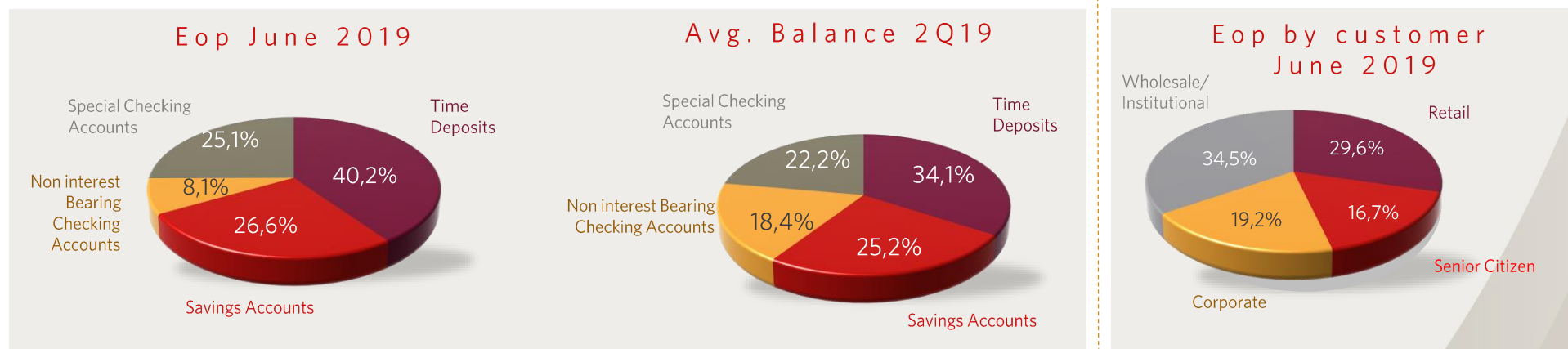
- > Loans to deposits ratio decreased to 73%, as loans remained flat in the quarter while deposits increased 3% (AR\$ loans to AR\$ deposits ratio of 79%, and US\$ loans to US\$ deposits ratio of 60%)
- > Loans to assets ratio declined 50 bps QoQ to 49.4% reflecting higher holdings of Central Bank securities
- > Fx deposits to total deposits decreased 30 bps to 32.4%, mainly due to the appreciation of peso.

Funding & deposit base

Reduced exposure to wholesale & institutional deposit sequentially given lower spreads at quarter end. Expanding share of retail & senior citizens deposits QoQ to 46% from 42%

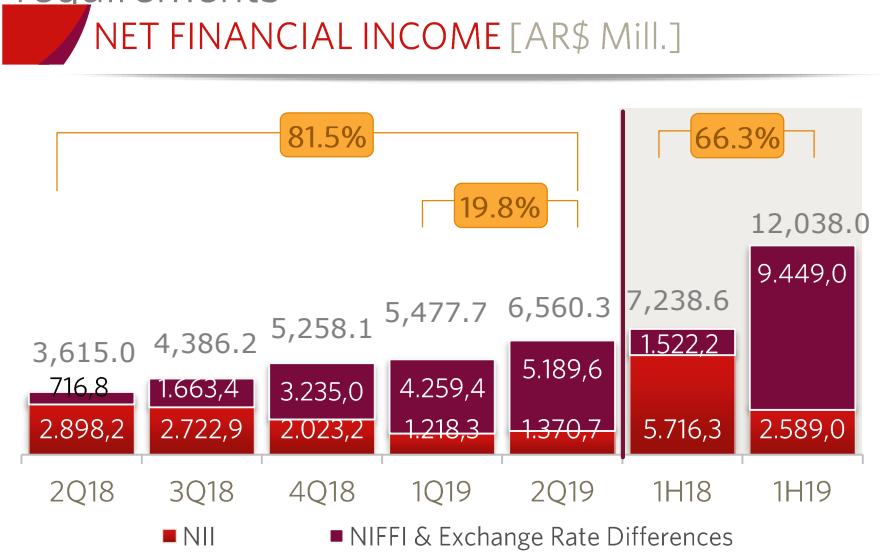


DEPOSITS BREAKDOWN, June 2019



Net Financial Income (NFI) & NIM

NFI & NIM up 19.8% and 300bps QoQ, respectively due to higher average Leliq yields supported by continuing repricing on retail loans and lower share of non-remunerated reserve requirements



NIM [%]

	2Q18	3Q18	4Q18	1Q19	2Q19
TOTAL	17.3	18.2	20.3	19.1	22.1
AR\$	19.1	21.7	23.9	22.5	26.2
US\$	10.8	7.3	9.1	6.9	8.4
Loan Portfolio	18.0	16.6	17.8	18.2	18.5
AR\$	22.1	21.3	22.5	23.2	23.8
US\$	4.4	3.9	4.9	4.7	5.3
Investment Portfolio	6.0	20.7	23.4	20.1	29.3
AR\$	9.8	22.5	28.2	23.3	32.2
US\$	(17.4)	8.0	(2.2)	(4.2)	8.7

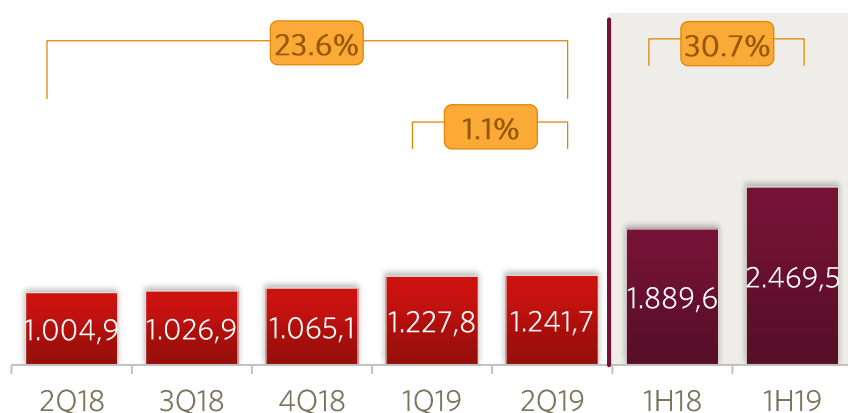
- Net Financial Income up 19.8% QoQ reflecting increases in average asset and deposit volumes and higher interest market rates
 - Interest on loans continued to benefit from additional repricing in personal loans
 - Lower share of non-remunerated reserve requirements
- NIM of 22.1%, up 470 bps YoY and 300 bps QoQ. YoY mainly explained by higher volumes invested in high-yield Central Bank 7-days LELIQS. QoQ reflects higher average spreads, a lower share of non-remunerated reserve requirements, supported by the continuing repricing on loans to individuals.

¹ NII: Net Interest Income, NIFFI: Net income from financial instruments at fair value through profit or loss.

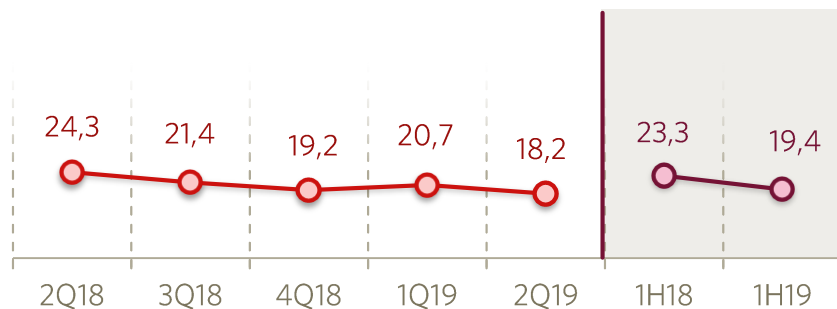
Service fee income & income from insurance activities

Net service fee income stable QoQ as soft loan origination and higher commissions paid, partially offset repricing on bundled services and non-credit related insurance

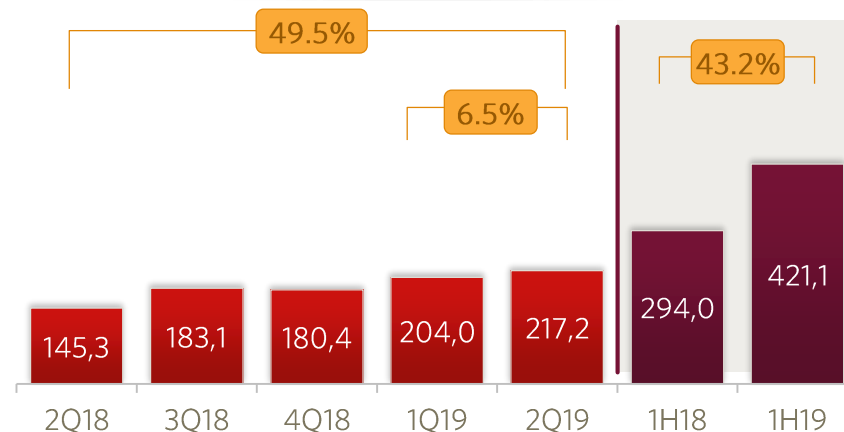
NET SERVICE FEE INCOME¹⁾ [AR\$ Mill.]



NET SERVICE FEE INCOME RATIO [%]*



INCOME FROM INSURANCE ACTIVITIES [AR\$ Mill.]



Net Service Fee Income up 1.1% QoQ reflecting:

- > 6.7% increase in fee income from full impact of the repricing on bundled financial services in the quarter, credit cards commissions and in non-credit related insurance
- > partially offset by a 26.9% increase in debit and credit card commissions paid

Income from insurance activities increased 6.5%. QoQ Gross written premiums increased 15% while claims paid decreased 61%. This reflects the annual rebalancing of the company seasonal accident rates curve (IBNR).

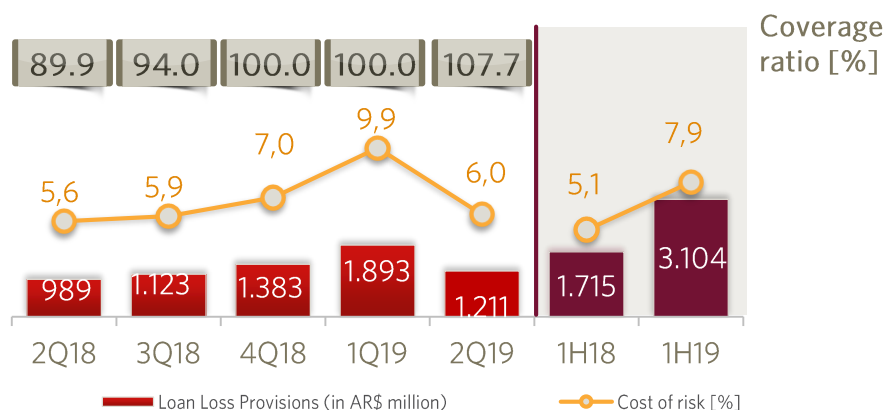
¹⁾ Excludes income from insurance activities

* Net services fee income + Income from insurance activities divided by the sum of Net interest income + Net income from financial instruments at fair value through profit or loss + Exchange rate differences on gold and foreign currency, net services fee income, income from insurance activities and other net operating income.

Asset quality

Further increase in NPL Coverage to 107.7%; with stable NPL ratios and Cost of Risk at 6.0%

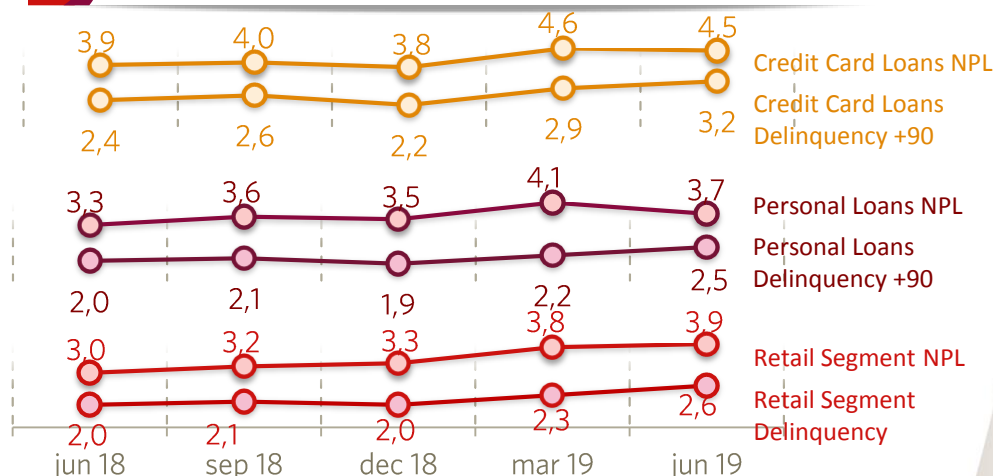
LOAN LOSS PROVISIONS EVOLUTION



NPLs RATIO

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Corporate	0.5%	0.8%	1.1%	3.0%	3.0%
Retail	3.0%	3.2%	3.3	3.8%	3.9%
Personal Loans	3.3%	3.6%	3.5%	4.1%	3.7%
Credit Cards	3.9%	4.0%	3.8%	4.6%	4.5%
Mortgages	0,0%	0,0%	0,2%	0,2%	0,4%
Consumer finance	18.0%	18.5%	19.4%	21.0%	21.4%
Personal Loans	23.1%	24.6%	26.0%	27,9%	28.7%
Credit Cards	10.9%	11.6%	13.2%	15,4%	16.9%
Car Loans	-	0.2%	2.5%	6,2%	10.1%
Residual Car Loans Mila	12.2%	16.1%	22.3%	27.4%	28.3%
Portfolio					
TOTAL	3.6%	3.7%	4.1%	5.3%	5.1%

RETAIL NPLs vs +90 DAYS DELINQUENCY



- NPL ratio down 20 bps QoQ to 5.1% in 2Q19 reflecting stable Corporate segment NPLs and a lower incidence of the Consumer Finance segment.
- Lower Consumer Finance NPL formation.
- Retail and Consumer Finance loans posted higher NPL ratio mainly due to lower loan portfolio origination, despite lower NPL creation.
- Keeping cautious approach increased NPL coverage to 107.7%.

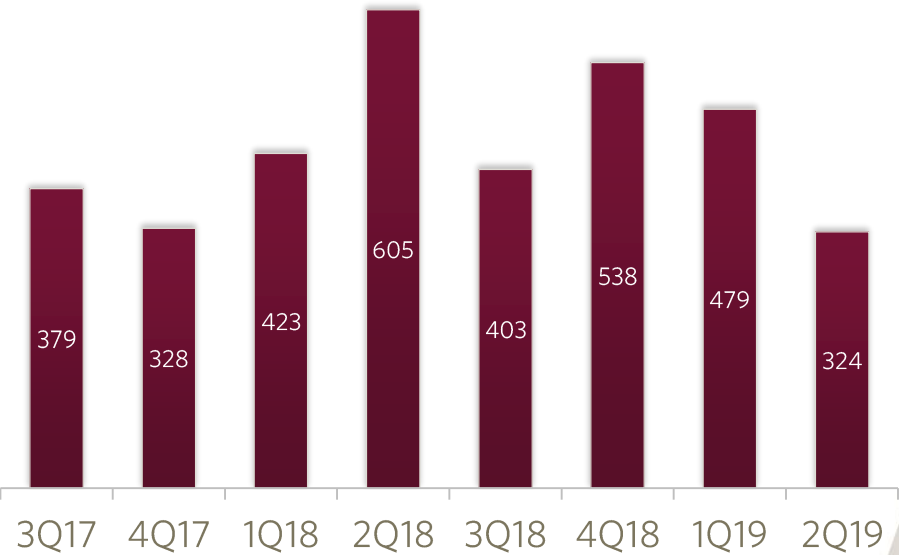
Asset quality consumer finance

Second consecutive quarter of lower NPL creation driven by earlier actions to tighten credit scoring standards

+30 DAYS DELINQUENCY, 3 MONTH VINTAGE

Month of Disbursement	Month of Measure	Total Loans	Loans to Existing Customers	Loans to Open Market Customers
May 17	Jul 17	3.0%	2,4%	4.1%
Jun 17	Aug 17	3.2%	2,7%	4.1%
Jul 17	Sep 17	3.8%	2,7%	5.9%
Aug 17	Oct 17	3.5%	2,8%	4.8%
Sep 17	Nov 17	4.1%	3,3%	5.6%
Oct 17	Dec 17	5.0%	4,7%	5.8%
Nov 17	Jan 18	4.0%	3,5%	4.8%
Dec 17	Feb 18	4.7%	3,7%	6.4%
Jan 18	Mar 18	4.4%	3,7%	6.2%
Feb 18	Apr 18	5.0%	4,1%	6.5%
Mar 18	May 18	3.9%	3,2%	5.2%
Apr 18	Jun 18	3.2%	2,5%	4.6%
May 18	Jul 18	2.8%	1,8%	4.9%
Jun 18	Aug 18	1.4%	1,3%	2.0%
Jul 18	Sep 18	2.4%	2,2%	3.0%
Aug 18	Oct 18	2.0%	1,8%	3.6%
Sep 18	Nov 18	3.5%	3,4%	3.8%
Oct 18	Dec 18	2.7%	2,2%	4.1%
Nov 18	Jan 19	3.3%	2,8%	4.7%
Dec 18	Feb 19	3.6%	2,5%	7.0%
Jan 19	Mar 19	2.8%	2,1%	5.4%
Feb 19	Apr 19	2.3%	4,6%	1.5%
Mar 19	May 19	2.6%	4,3%	2.3%
Apr 19	Jun 18	2.6%	5,0%	1.8%

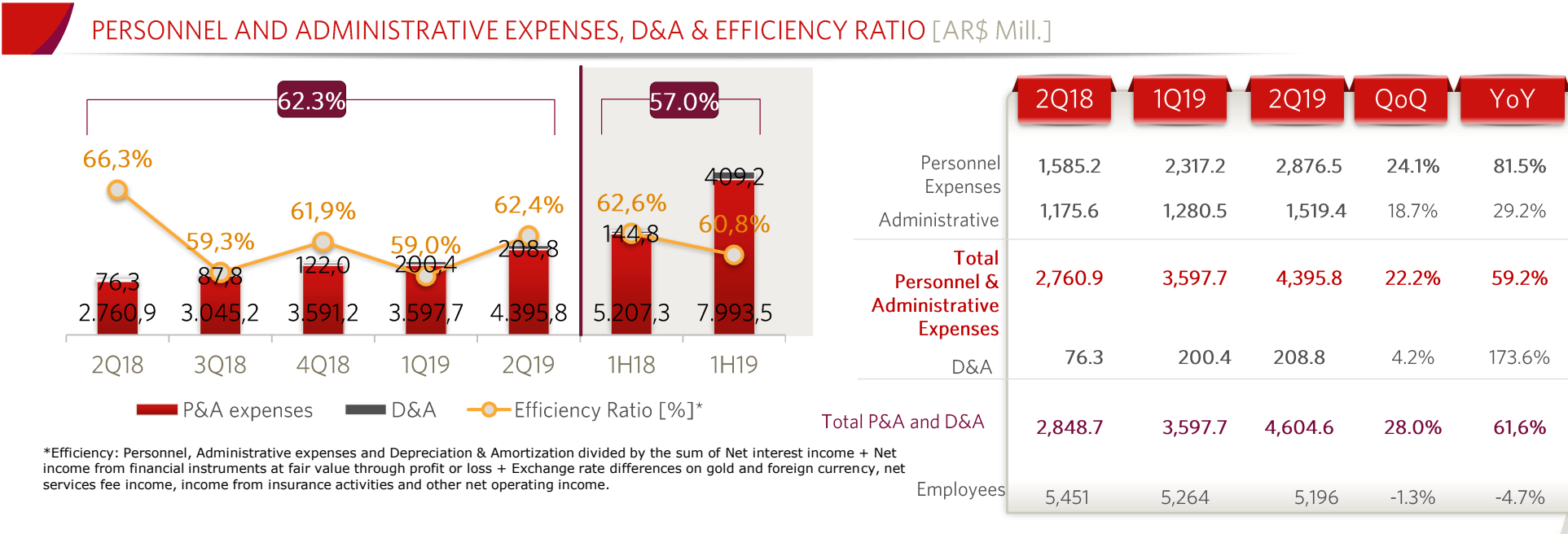
CONSUMER FINANCE - NPL Creation



3-month vintage remains below peak levels of 1H18

Administrative expenses & efficiency ratio

Efficiency ratio of 62.4% reflects one time severance charges and impact of inflation on wages

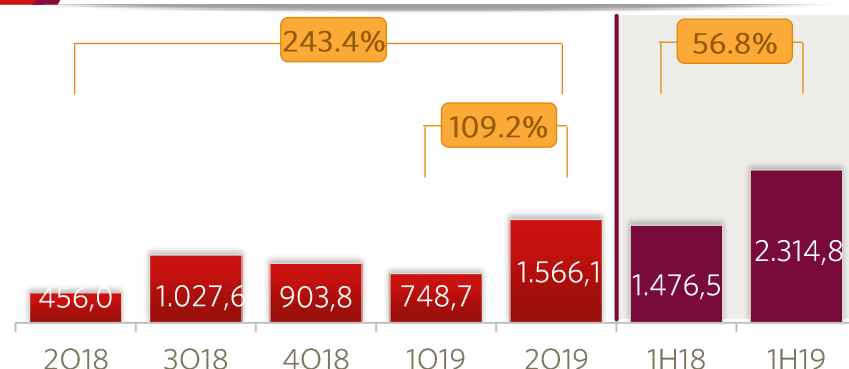


- > 2Q19 Efficiency ratio of 62.4% in 2Q19 improved 390 bps YoY, but increased 340 bps QoQ. Sequential performance reflects AR\$ 273 million in non-recurring severance charges at the bank. Excluding this charges, Efficiency ratio would have been 58.7% which compares with a 57.6% in 1Q19, also adjusted by non-recurring severance costs.
- > Personnel expenses up 24% QoQ, mainly due to salary increases applied in 2Q19 and severance charges, while headcount continued to decline

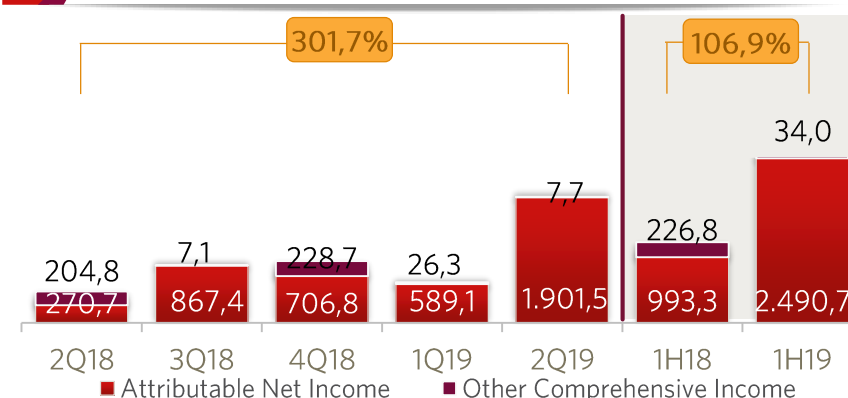
Profitability

Pre-tax profit up 109% QoQ despite challenging macro and weak loan demand, one-time severance charges from bank reorganization and higher NPL Coverage

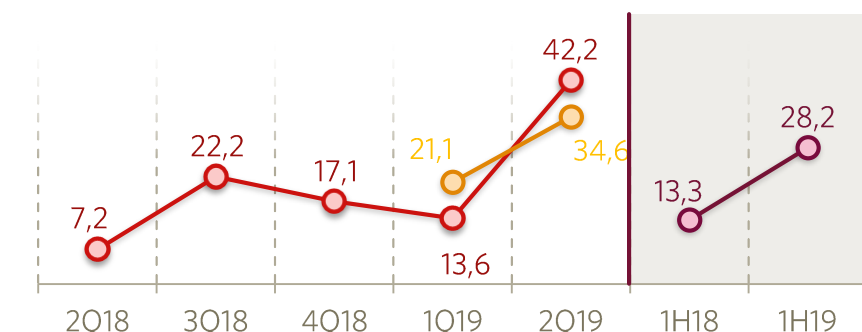
PROFIT BEFORE INCOME TAX
[AR\$ Mill.]



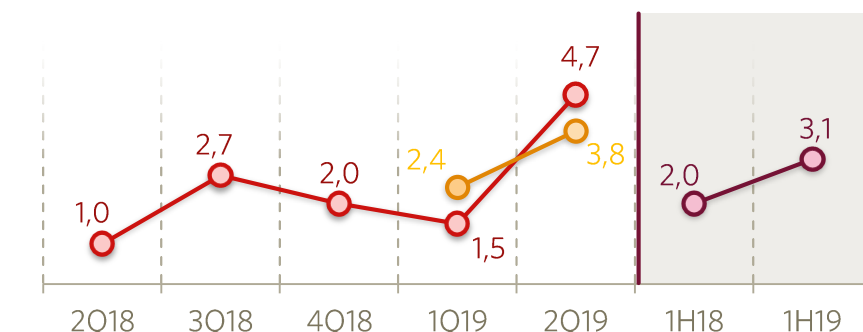
ATTRIBUTABLE COMPREHENSIVE INCOME
[AR\$ Mill.]



ROAE [%]



ROAA [%]



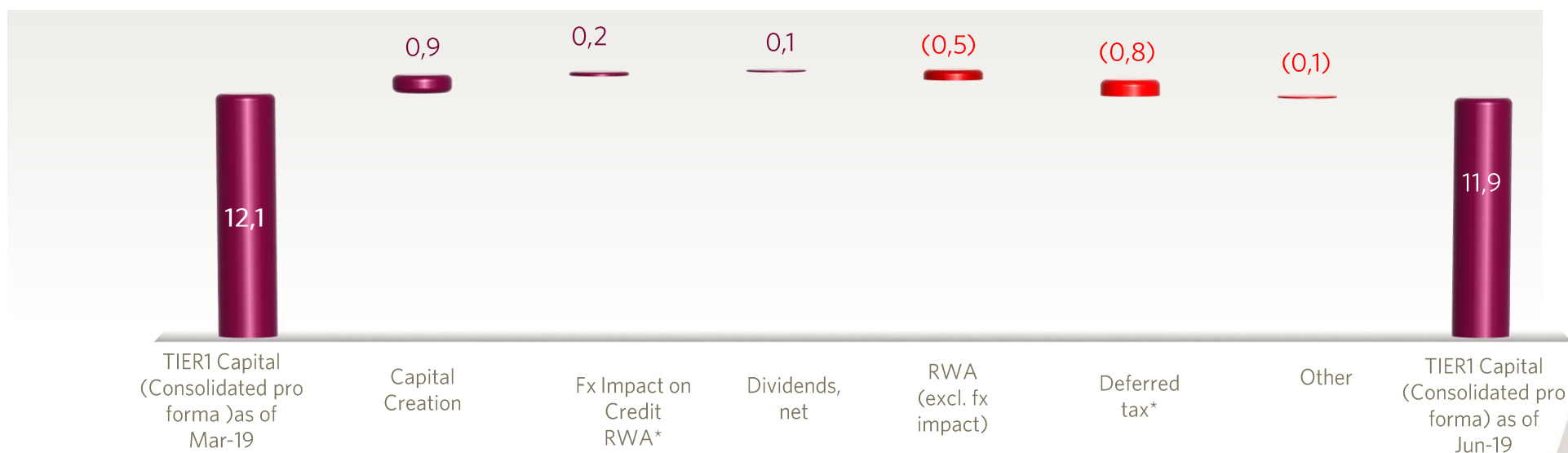
— If inflation adjustment in income tax provision would have been considered as of March 31, 2019, the impact would have been Ps. 331 million and Ps. 333 million in 2Q19 and 1Q19, respectively, attributable net income would have been Ps. 1.6 Bn and Ps. 923 million in 2Q19 and 1Q19, respectively, and ROE would have been 34.6% and 21.1% in 2Q19 and 1Q19, respectively. Managerial Restatement.

* ROAE and ROAA were restated and now are calculated taking into account Attributable Net Income divided by Avg. Shareholders' Equity, without excluding the impact from Other Comprehensive Income in Shareholders' Equity. This is in line with the change introduced in the Company's FY19 guidance which now includes Net income instead of Comprehensive Income.

Capitalization

Common Equity Tier 1 Ratio (Consolidated Proforma) of 11.9% in 2Q19, 10 bps above comparable Tier 1 Ratio of 11.8% in 1Q19

CAPITAL DEPLOYMENT [Tier I ratio %] ⁽¹⁾



- > During 2Q19 the Central Bank clarified an interpretation regarding deductions on Tier1 Capital related to deferred tax, asking not to offset deferred tax assets and liabilities even when offsetting is required by IFRS (IAS 12) and Basel framework, hence increasing the deductions on Tier 1 Capital. If this criteria would have been adopted in 1Q19, Common Equity Tier 1 Ratio (Consolidated Proforma) would have been 11.8%.
- > SUPV dividend payment of AR\$303 million in May 19. Dividends received from subsidiaries: AR\$353 million.
- > Capital contribution to CCF of AR\$ 500 million in June 19 .

* Deferred tax on loan loss provisions and losses on Consumer Finance

Supervielle 2019 guidance

While 1H19 net income is tracking ahead of full-year outlook, guidance is placed under revision given heightened volatility and uncertainty

It is more challenging to calibrate guidance around many of the key business drivers for the back half of the year. Impacted by:

- Added uncertainty from heightened volatility due to Presidential election which has resulted in further depreciation of the AR\$
- Upside potential from high monetary policy interest rate supporting high margins
- Remain cautious given downside risk on credit quality from persistently high interest rates and weak activity levels across several sectors

The Company expects to provide an updated guidance to the investment community at such time when the volatility recedes

